

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6448**

**BILL NUMBER:** HB 1101

**DATE PREPARED:** Dec 1, 2001

**BILL AMENDED:**

**SUBJECT:** Various Election Law Changes.

**FISCAL ANALYST:** Chris Baker

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**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill makes changes to election law concerning the following:

- (1) The date that electronic filing of certain campaign finance reports is considered to have occurred.
- (2) The total number of signatures that a candidate for President of the United States, United States Senator, or Governor is required to obtain to qualify for placement on the ballot.
- (3) The requirement for an individual who registers to vote to provide the last four digits of the individual's Social Security number.
- (4) The filing of statements of organization by political committees.
- (5) Administrative disbanding of political committees.
- (6) An erroneous reference in a statute relating to absentee voting.
- (7) Deadlines for taking certain actions relating to filing candidate vacancies.
- (8) Determination of the political affiliation of an appointee to a local board.
- (9) Exceeding property tax levy limits for purchase of voting systems.

**Effective Date:** Upon passage; July 1, 2002.

**Explanation of State Expenditures:** (1) This provision could change the timing as to when a candidate files a campaign finance report. This provision could save Indiana Election Division (IED) staff resources for

other administrative uses. Under current law, candidates that file electronically do so by submission of a disk containing the candidate's report. The current process requires IED staff to physically print a hard copy of and time stamp each report.

(2) The IED would require minor expenditures in order to update petition forms.

(3) Currently, state form 50504 has a space and check box provided to indicate and report the last four digits of the registering voter's social security number. This provision should have no fiscal impact.

(4) No Fiscal Impact.

(5) Under current law the Indiana Election Division (IED) or a county election board (CEB) may begin a proceeding with the Indiana Election Commission (IEC) to disband a candidate committee. The bill changes the provision to include the following conditions for disbandment: the candidate committee has not filed any report of expenditures during the previous three calendar years; the candidate committee last reported cash on hand in an amount that does not exceed \$1,000.

Current law does not allow for disbandment if the committee owes debts to any person other than a civil penalty assessed by the IEC or CEB, or if the candidate was also the committee's chairman/treasurer. When a proceeding occurs, the IED or CEB is required to provide notice via certified mail to the chairman and treasurer of the committee named in the proceeding. Rates for certified mail are as follows: \$2.10 for certification and \$0.34 for first class postage. If mail weighs more than an ounce, \$0.23 is charged per each additional ounce.

Historically, the IEC has disbanded four to five candidate committees per year. On average, 20 to 40 candidate committees file pre-primary and pre-general election campaign finance reports late, and between 50 to 70 candidate committees file late annual campaign finance reports. The IED can assess a civil penalty for failure to file. The maximum penalty that may be assessed is \$1,000. In FY 2001, \$15,104 in civil penalties were assessed by the IED. Under the bill, the IED would be able to disband candidate committees that IED no longer has communication with.

Under the bill, the IEC or the CEB may waive outstanding civil penalties imposed previously by the IEC or CEB. Additionally, if the dissolution of a candidate committee goes forward, any surplus contributions must be distributed to either a regular party committee(s), another candidate committee(s), to the contributors pro rata, a federal income tax exempt organization, or the IEC.

The IED must arrange for publication in the Indiana Register any orders to administratively disband a committee. A CEB must publish a notice to the same effect. Under P.L. 64-1995, basic publishing charges are by the line with squares of 250 ems. Before January 1, 1996, the rate was \$3.30 per square for the first insertion in a newspaper or qualified publication plus \$1.65 per square for each additional insertion in a newspaper or qualified publication. After December 31, 1995, and before December 31, 2005, a newspaper or qualified publication may, effective January 1, increase the basic charges by 5% more than the basic charges that were in effect during the previous year. However, the basic charges for the first insertion of a public notice in a newspaper or qualified publication may not exceed the lowest classified advertising rate charged to advertisers by the newspaper or qualified publication for comparable use of the same amount of space for other purposes. An additional charge of 50% is allowed for the publication of all public notice advertising containing rule or tabular work.

The impact of this provision is indeterminable and would depend on the increase or reduction of the amount of proceedings filed as a result of the bill.

(6) - (8) These provisions will have no fiscal impact.

(9) If property tax levies are increased by up to \$10.2 M as described in *Explanation of Local Revenues*, the State will incur increased property tax replacement credit (PTRC) expenses of 20%, or \$2.05 M. PTRC is paid from the Property Tax Replacement Fund which is annually supplemented by the State General Fund. Any additional PTRC expenditures would ultimately come from the General Fund.

**Explanation of State Revenues:** (5) As described in *Explanation of State Expenditures*, if more civil penalties are waived by the IED as a result of the bill, fewer civil penalties would be collected.

**Explanation of Local Expenditures:** (1) - (4) No fiscal impact.

(5) See *Explanation of State Expenditures*.

(6) - (8) Little to no fiscal impact should result from these provisions.

**Explanation of Local Revenues:** (9) The bill allows that the maximum permissible levy does not apply to property taxes imposed by a county for a voting system purchase out of the county's voting system purchase fund. Therefore, the amount of property tax raised by a county up to and not exceeding \$0.0167 per \$100 of assessed valuation (AV) for the county's cumulative voting system purchase fund (cumulative fund) would be excluded from the county's maximum permissible levy.

*Background:* According to current law, a county may establish a cumulative fund to provide funding for voting machines, ballot card voting systems, or electronic voting systems. Currently, the property tax rate may not exceed \$0.0167 per \$100 AV in order to provide revenue for the county cumulative fund.

The maximum property tax rate of \$0.0167 per \$100 AV would remain the same under the bill. The precise impact of this provision is unknown and would depend on local action. If every county were to impose a rate at \$0.0167 per \$100 AV for the county cumulative fund as a result of this bill, the additional revenue raised would be approximately \$10.2 M. The effect of this provision would begin with property taxes paid in 2003.

**State Agencies Affected:** Indiana Election Division, Indiana Election Commission.

**Local Agencies Affected:** County election boards.

**Information Sources:** 1995 Pay 1996, 2000 Pay 2001 Property Tax Analysis; Kristi Robertson, Co-Counsel, Indiana Election Division; U.S. Postal Service.